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DOCUMENT NO. NO CHANGE IN CLASS. MONTHLY STATUS REPORT EL DECLASSITIED ASS. CHALLEED TO: TS SC MEXT REVIEW DATE AUTH: HR 70-2

For Month of July 1951

1.•	Cryptonym ZRLYNCH	2. Div - KE -		L b	untry(atvia, ased o f Germ	ops. and	d date	d percentage of completion ssible te: This is a	CC
5.	PLAN	Political	Eco	onomic	Para	military	ing project Support		
6.	FINANCIAL MECHANICS	Di san at	Subsidy X		Prop	rietary	Purchase of Services		
7.	PHASE	Planning	0ре	erational' X	Liqu	idating	Т	Terminated	
		a/FY Allotme Total to Da				c/FY Obliga Cumulative Date		d/ Unobligated Balance	
8.	FUNDING	\$9,000		\$867		\$867		\$8,133	
9.	CASE OFFI	CER Name		Roc	m No.	3234	Signa	1	

Summary of Previous Accomplishment:

The purpose of this project is to support the Latvian Resistance Movement with the aim of contacting or establishing resistance forces in the interior of Latvia. A Latvian Operations Team of Alfreds Launags and Arthurs Linde, both of the Latvian Contact Group of the LRM, have arrived in Germany. Facilities are already established to begin training indigenous agents; implementation of this phase of the plan awaits the security clearance of agent candidates who have already been chosen. A third member of the Contact Group of the LRM, initial, is spotting for recruits in Sweden and advising his colleagues in Germany as required.

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Progress during the past month:

Three prospective agents who will be trained as W/T operators were instructed to move from Sweden to Germany. They will begin nonsensitive training pending their receipt of security clearances.

OPC Form No. 501 3 August 1951

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A limited attempt to contact a member of the LRM, known as Valdemars, who is in Latvia, is now being contemplated. Valdemars, a personal friend of Arthurs Linde was infiltrated into his homeland with the aid of the Swedish Intelligence service in 1948. He has since been in contact with the Sweded and indirectly with OSO, Before his departure from Sweden in 1948, Valdemars devised with Launags a somewhat elementary Cryptographic system by which an LRM representative could contact Valdemars directly in order to circumvent Swedish control; it was also agreed that if Valdemars were contacted in this manner, he would turn the contact over to some other LRM member inside Latvia. In order to attain a direct line of communication into Latvia, OSO and OPC are currently considering establishing a Latvian W/T operator in Germany, removed by cut-out from our organization and facilities there and equipped in such a way as to appear to be an independent member of the LRM, who would attempt to contact Valdemars. The implementation of this proposal is pending further study and discussions between OSO and OPC, which it is hoped will assure OSO that a contact with Valdemars from Germany can be attempted without jepordizing the security of OSO contact with him or their liason relationship with the Swedish Intelligence service.

Discussions are continuing on the possibility of converting Latvian operations into a joint OSO/OPC undertaking. Preliminary talks have been held by OSO with Alfred Berzins, a former cabinet officer in the Ulmanis government and a leading member of the Association of Former Members of the Latvian Resistance (LPKDA). Berzins will explore the possibility of forming a broadly representative Latvian emigre organization to be located in the U.S. If a satisfactory response is forthcoming from Latvian leaders, the tentative plan is to offer a limited subsidy to such an emigre organization while at the same time working directly with a separate operational component of the emigre group which will probably be located in Germany and will be staffed largely by Latvians recruited from the emigre organization.



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